



ARKANSAS INSURANCE DEPARTMENT
ACCOUNTING DIVISION
1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904
PHONE (501) 371-2605
www.insurance.arkansas.gov

PREMIUM TAX INSTRUCTIONS FOR HEALTH MAINTENANCE ORGANIZATIONS

All tax filings and payments must be received on or before March 1, 2015; the Department does not accept the postmark date. No authority exists for granting any extension of time for filing or payment. Any insurer that fails to report or pay tax will be subject to penalty in accordance with ACA 26-57-607.

The Department does not accept software forms. The forms must be completed and printed on our website. www.insurance.arkansas.gov/accounting/divpage.htm

If you are filing by EFT send the additional documents from the checklist to the address below with the name of the company and NAIC number clearly identified.

Mail the return, documentation and check to: **Arkansas Insurance Department**
Accounting Division
1200 West Third Street
Little Rock AR 72201-1904

For questions concerning the completion of tax forms, contact the Accounting Division at (501) 371-2605 or email us at insurance.accounting@arkansas.gov

DO NOT INCLUDE WITH THE PREMIUM TAX FILINGS:

CORPORATE FRANCHISE TAX: Remit to the Office of Secretary of State, Attention: Lisa Bruno, 1401 Capitol Ave., Victory Bldg., Suite 250, Little Rock AR 72201.
MAIL TO ADDRESS ON THE FORM

MANDATORY ARKANSAS
COMPREHENSIVE HEALTH
INSURANCE POOL (CHIP) If you have any questions, direct inquiries to (501) 370-2659 or <http://www.chiparkansas.org>
MAIL TO ADDRESS ON THE FORM

INSTRUCTIONS FOR AID AC HMO-T (Annual Report of Premiums, Co-Payments, Taxes, and Fees)

SECTION A: DIRECT WRITTEN PREMIUMS § 23-57-603

A(5): STATE OF DOMICILE TAXES/FEEES § 23-63-102

All entries in this section must be itemized with supporting documentation and computations, if applicable. Forms from the State of Domicile should be used for computations. Documentation such as "other fees" or "other taxes" is not acceptable.

A(6): If your state of domicile imposes a minimum tax, enter that amount in column 2.

SECTION F: Information regarding the Arkansas credits

Arkansas Salary Credit § 26-57-604

Companies licensed to write accident and health insurance may take a credit for noncommissioned salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% tax on accident and health premiums. The offset may not reduce tax due on accident and health premiums by more than 80%. The criteria for the credit are in Schedule IC-PT, (page 3 of AID AC HMO-T annual report of premiums, co payments, taxes, and fees).

Arkansas Comprehensive Health Insurance Pool § 23-79-507

The CHIP administrator will issue a notice of the available credit. Questions regarding the credit should be directed to the CHIP office at (501) 370-2659. **ATTACH COPY OF 2014 CREDIT.**

Affordable Neighborhood Housing Tax Credit § 15-5-1303, 15-5-1304

Insurers that perform affordable housing assistance activities may take a premium tax credit for up to 30% of the total amount invested and not to exceed \$750,000 in any taxable year. Program must meet standards of and be approved by Arkansas Development Finance Authority.

ATTACH ELIGIBILITY STATEMENT.

Low-Income Housing Tax Credit § 26-51-1702

Insurers are allowed a state income or premium tax credit equal to 20% of the federal low-income housing tax credit not to exceed \$250,000 in any taxable year. The credit is available for insurers that own an interest in a qualified project for which the Arkansas Development Finance Authority has issued an eligibility statement. **ATTACH ELIGIBILITY STATEMENT.**

Arkansas Historic Rehabilitation Income Tax Credit § 26-51-2201, et. seq.

The tax credits are available to a person or entity that invests in the revitalization and rehabilitation of historic structures throughout Arkansas. The credit is available in the amount of 25% of the first \$500,000 in qualified rehabilitation expenses on income producing property or the first \$100,000 in qualified rehabilitation expenses on non-income producing property. **Attach the Certificate of Income Tax Credit issued by the Department of Arkansas Heritage.**

Delta Geotourism Incentive Tax Credit Act 349 of 2009

This Act provides for a tax credit for a person or entity investing \$25,000 or more in a geotourism-supporting business in the Lower Mississippi River Delta and complies with the requirements of Section 4(a) of the Act. Geotourism is defined as tourism that sustains or enhances the geographical character of an area. **ATTACH ELIGIBILITY STATEMENT.**

Capital Development Corporation Tax Credit § 15-4-1026, 15-4-1029(f)(1)

Person who purchases an equity interest in a capital development company between 2003 through 2013 is entitled to a credit against any state income tax liability or premium tax liability, which may be imposed on the purchaser for any tax year commencing with the tax year, which is two years after the date of the purchase. The credit shall be equal to thirty-three and one-third (33 1/3) of the actual purchase price paid for the equity interest to the company, including any fees or commissions to underwriters or sales agents paid by the company. No fees or commissions in excess of fifteen percent (15%) of the total purchase price may be considered in calculating the amount of the credit. In any one-tax year, the credit shall not exceed fifty percent (50%) of the net state income tax liability or premium tax liability of the taxpayer after all other credits or reductions in tax have been calculated. No credit under this section is allowed for any tax year after December 31, 2019. Upon dissolution, if the proceeds from the purchase of the equity interest have not been used for the purposes stated in § 15-4-1016 or for operating expenses, then each person who previously claimed a tax credit with respect to that purchase, the tax imposed for the year the dissolution occurs shall be increased by the tax credit amount associated with the unused purchase proceeds. **ATTACH ELIGIBILITY STATEMENT**

Equity Investment Incentive Tax Credit § 15-4-3301, et seq.

Insurers are allowed a state income or premium tax credit for certain qualified equity investments up to 50% of net income or premium tax liability. **Attach the certified statement of the insurer, described in § 15-4-3305, and a tax credit certificate issued by the Arkansas Economic Development Commission.**

SECTION I:

The amount of quarterly prepayments must agree with the ACTUAL prepayment amounts paid each quarter.
DO NOT ROUND AMOUNTS.

EST-Q PREPAYMENT BOX MUST INCLUDE CHECK NUMBERS.

Make one check payable to the State Treasurer of Arkansas and attach to the form. Checks for groups are not acceptable. Payment must be made for each individual company.

REFUNDS:

If a negative amount results, it cannot be carried forward. A refund will be processed after the audit is completed.

If a refund is due for AID AC HMO-T (annual report of premiums, co-payments, taxes, and fees) check the line on page 1, in the upper right-hand corner of the form.



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ACCOUNTING DIVISION
DUE MARCH 1, 2015

____ ORIGINAL FILING

____ AMENDED FILING

____ REFUND DUE

ANNUAL REPORT OF PREMIUMS, CO-PAYMENTS, TAXES AND FEES OF ALL HEALTH MAINTENANCE ORGANIZATIONS

STATE OF DOMICILE		NAIC COMPANY CODE (5 digit code)	
COMPANY NAME			
MAILING ADDRESS			
CONTACT PERSON		TITLE	
TELEPHONE NUMBER	EXT	FAX NUMBER	
EMAIL ADDRESS			

COLUMN 1
ARKANSAS TAX

COLUMN 2
State of Domicile tax on AR Insurer:

TAX RATE _____

A. COMPUTATION OF PREMIUM TAX

Exhibit of Premiums, Enrollment and Utilization

- | | | |
|---|-----------------|--------------|
| 1. Direct Written Premiums and Co-payments
ROW 12, COLUMNS 2-6 | \$ _____ | \$ _____ |
| 2. Health Insurance Purchasing Group Premium § 23-86-503
Deduct premiums for Health Benefit Plans of health
insurance purchasing groups | \$ (_____) | \$ (_____) |
| 3. Net Taxable Premiums | \$ _____ | \$ _____ |
| 4. Tax 2 1/2 % | \$ _____ | \$ _____ |
| 5. Additional Taxes/Fees From State of Domicile | \$XXXXXXXXXXXXX | \$ _____ |
| 6. PREMIUM TAX DUE
AMOUNT CANNOT BE LESS THAN ZERO | \$ _____ | \$ _____ |

B. FEES: DUE ARKANSAS INSURANCE DEPARTMENT

- | | | |
|-------------------------------------|-----------|----------|
| 7. Filing Annual Statement | \$ 50.00 | \$ _____ |
| 8. Certificate of Authority Renewal | \$ 100.00 | \$ _____ |
| 9. Total Fees | \$ 150.00 | \$ _____ |

C. AGGREGATE LIABILITY OF TAXES AND FEES

- | | | |
|--|----------|----------|
| 10. For Calendar Year 2014 without deduction of prepayments
A(6)+B(9) | \$ _____ | \$ _____ |
|--|----------|----------|

D. BASED ON SECTION D, LINE 11, MARK THE COLUMN WITH THE GREATER AMOUNT:

COLUMN 1 - ARKANSAS ☐ COLUMN 2 - STATE OF DOMICILE ☐

USING THE AMOUNTS FROM THE COLUMN MARKED, COMPLETE THE FOLLOWING:

11. PREMIUM TAX FROM SECTION A, LINE 6 \$ _____

E. CREDITS:

12. Arkansas Salaries Credit (Schedule IC-PT)
NOT TO EXCEED 80% OF SECTION A(4) \$(_____)

13. AR Comprehensive Health Ins. Pool (CHIP) Credit \$(_____)

14. Affordable Neighborhood Housing Credit \$(_____)

15. Low-Income Housing Tax Credit \$(_____)

16. AR Historic Rehab Income Tax Credit \$(_____)

17. Delta Geotourism Incentive Tax Credit \$(_____)

18. **SUBTOTAL** D(11) LESS 12 THRU 17 \$ _____

19. Capital Development Corporation Tax Credit \$(_____)

20. Equity Investment Incentive Tax Credit \$(_____)

F. NET PREMIUM TAX:

21. E18 LESS E(19-20) \$ _____
AMOUNT CANNOT BE LESS THAN ZERO
G. FEES:

22. ENTER AMOUNT FROM SECTION B(9) \$ _____

H. PREMIUM TAX AND FEES DUE:

23. F (21) + G (22) \$ _____

24. Less 2014 quarterly prepayments (from below) \$(_____)

25. NET PAYMENT DUE \$ _____

MAKE CHECK PAYABLE TO THE STATE TREASURER OF ARKANSAS AND ATTACH TO THIS FORM.

2014 FORM AID AC EST-Q Prepayments

First Quarter	check #	\$
Second Quarter	check #	\$
Third Quarter	check #	\$

SCHEDULE IC-PT

**LIFE AND /OR ACCIDENT AND HEALTH INSURERS AND HEALTH MAINTENANCE
ORGANIZATION SALARY ANNUAL OFFSET**

Each authorized life or accident and health insurer, including an HMO, may take an annual credit for **non-commissioned** salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% direct written tax on life and or accident and health insurance. The offset may not reduce tax due on accident & health premiums by more than 80%; or due on life premiums by more than 70%. The employee must have been employed 6 months in Arkansas for the wages to qualify.

The Company **MUST** report as follows:

1. Number of non-commissioned Arkansas employees employed for a minimum of six (6) months as of the last day of the calendar year to which this report applies: _____.
2. Amount of **non-commissioned** salaries and wages paid to individuals listed in item 1 above:
_____.
3. Complete addresses of Company's Arkansas offices, which are staffed with individuals listed in Item 1.
 - a.
 - b.
 - c.

Attach additional sheets if necessary.

Check Payable to STATE TREASURER OF ARKANSAS attached?..... ☐ YES ☐ NO